

OCT 29 2003

European Commission Delegation
Library
2300 M Street, NW
Washington, DC 20037

The Mashrek¹ countries and the European Union

Stéphane QUEFELEC

Statistics in focus

EXTERNAL TRADE

THEME 6 – 1/2003

Contents

Slowdown the in growth of EU/Mashrek trade..... 1

Egypt: the EU's main trading partner in the Mashrek region . 2

Italy and Germany are the Mashrek's biggest trading partners in the EU 2

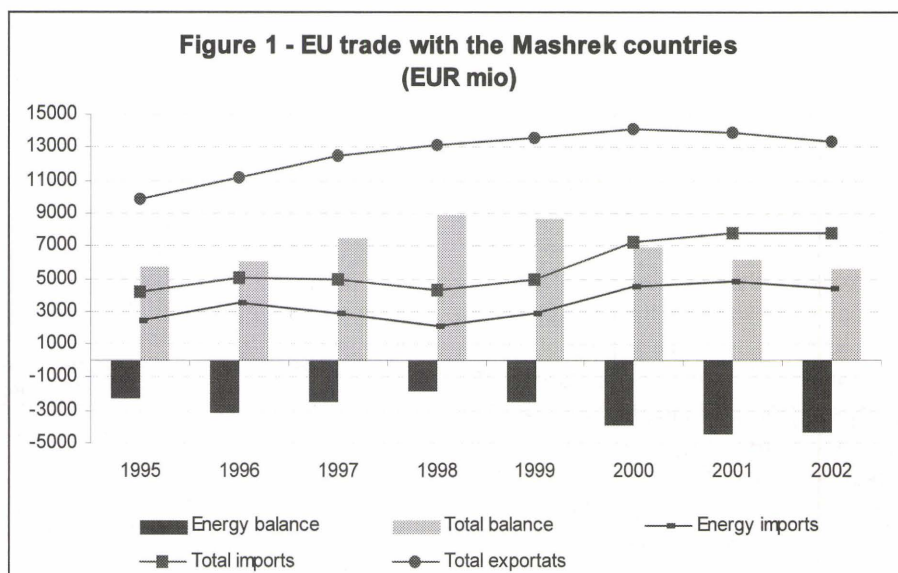
EU: Energy imports 3

Diversified exports..... 3

Trade in services: EU in deficit 3

The EU exports more to the Mashrek countries that it imports from them. Since 1999, however, the gap has declined appreciably. Europe's exports to the Mashrek have fallen slightly since 2000, whereas its imports have increased since 1998, due in part to the rise in the price of oil, which in 2002 accounted for 55% of the EU's imports from the Mashrek. The EU's exports to the Mashrek comprise mainly machinery and vehicles.

On the Mashrek side, Egypt is the EU's biggest trading partner by far. On the EU side, Germany, France and Italy are the Mashrek's most important trading partners.



Slowdown the in growth of EU/Mashrek trade

In 2002, the EU accounted for approximately 40% (source: IMF) of the Mashrek's total trade (imports + exports), which makes it the region's principal trading partner, ahead of Asia and North America. Total Mashrek/EU trade stood at about 21 billion euros in 2002, which is about 1.1% of the EU's overall external trade and almost equivalent to Greece's total foreign trade.

European imports from the Mashrek, expressed in euros, increased slightly between 1995 and 1997. They then decreased in 1998, before surging until the year 2000, since when they have been almost unchanged. A large share of the EU's imports is accounted for by oil (55%), which is why the fall in the price of oil in 1998 and its subsequent increase in 2000 had major impacts on the value of the EU's imports from the Mashrek. The Mashrek countries (except Jordan) have experienced a significant slowdown in growth since 2000. Investments and private consumption have slowed or actually decreased, and this has contributed to the decrease in European exports to the Mashrek since 2000. The Mashrek traditionally imports more from the EU than it exports to it. However, with the downward trend in EU exports and the rise in the cost of imported oil, the EU's surplus has decreased continually since 1998, while its deficit

¹ Mashrek: Egypt (EG), Jordan (JO), Lebanon (LB), Palestinian Authority (PS), Syria (SY). This publication appears under the MEDSTAT regional statistical cooperation programme.



in energy products has increased. Since 1995, the EU's trade with the Mashrek has, on the whole, increased at a slower pace than both the EU's overall external trade and its trade with the 12 Mediterranean Partner Countries (MPC-12) (Table 1). In 2002, EU/Mashrek trade was 14% of total trade between the EU and the MPC, even though the population of the Mashrek (95 million, including 65 million Egyptians) is more than 40% that of the MPC. This is because the Mashrek, from a trade point of view, is less strongly oriented towards the EU (Jordan and Egypt in particular) than the Maghreb or Turkey, and because some Mashrek countries (especially Syria and Egypt) are less open to international trade than other MPCs.

Egypt: the EU's main trading partner in the Mashrek region

In terms of total trade (imports + exports), Egypt is the EU's biggest trading partner in the Mashrek (Table 1). It also has the region's biggest economy.

Between 1995 and 2002, however, and despite its small size, Syria became the EU's biggest supplier, ahead of Egypt. Moreover, Syria is the only Mashrek country to record a trade surplus with the EU. This is explained by oil, which dominates Syrian exports to the EU (85% in 2002). In fact, the volume of oil exported from Egypt to the EU has declined since 1997, a fall which has been largely compensated for by a rise in the volume of imports from Syria (Diagram 2.2). Moreover, the big increase in the value of imports is due to the increase in the price of oil since 1999 (Diagram 2.1).

On the export side, Lebanon is the EU's second-biggest customer after Egypt, ahead of Syria and Jordan. The EU recorded its biggest trade surpluses with Egypt and Lebanon (Table 1).

Italy and Germany are the Mashrek's biggest trading partners in the EU

Of the EU Member States, Italy, Germany, France and the United Kingdom do the most trade with the Mashrek countries in value terms (Table 2). These countries also have the largest economies in the EU. Because

incessantly (Diagram 1).

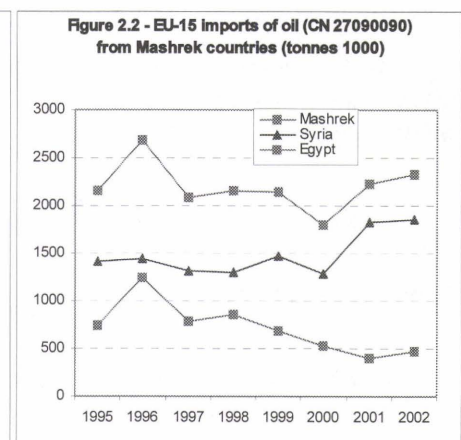
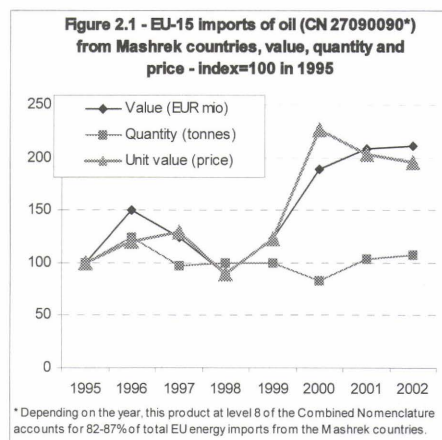
Table 1 - EU-15 trade with the Mashrek countries

	Imports				Exports				Balance	
	EUR mio		% of extra-EU trade	% change	EUR mio		% of extra-EU trade	% change	EUR mio	
	1995	2002	2002	95/02	1995	2002	2002	95/02	1995	2002
Extra-EU	545253	988015	100,0	81	573277	994129	100,0	73	28024	6114
MPC-12	32102	66793	6,8	108	50613	79958	8,0	58	18511	13164
Mashrek	4171	7785	0,8	87	9918	13394	1,3	35	5747	5609
Egypt	2190	3244	0,3	48	5017	6339	0,6	26	2827	3095
Syria	1735	4055	0,4	134	1378	2095	0,2	52	-357	-1959
Lebanon	111	185	0,0	67	2471	2971	0,3	20	2361	2786
Jordan	135	294	0,0	117	1046	1957	0,2	87	911	1663
WB. & Gaza S.	0	8	0,0	-	5	33	0,0	552	5	25

Table 2 - EU and EFTA trade with the Mashrek countries

	1995		2002			95/02 change		Import	Export
	Import	Export	Import	Export	Balan.	Import	Export	% of total trade in 2002*	
	EUR mio					%			
EU15	4171	9918	7785	13394	5609	87	35	0,8	1,3
Italy	1208	2143	2365	2696	330	96	26	2,1	2,2
Germany	777	2105	1602	2846	1244	106	35	0,7	1,0
United Kingdom	381	906	1047	1398	352	174	54	0,6	1,1
France	556	1826	919	2564	1644	65	40	0,8	1,9
Spain	389	440	549	699	150	41	59	1,0	1,8
Netherlands	156	577	545	829	284	250	44	0,5	1,4
Greece	304	245	196	178	-18	-36	-27	1,2	2,9
Austria	52	172	196	224	28	273	31	0,7	0,7
Belg./Luxbg.	152	576	177	912	735	17	58	0,3	1,4
Portugal	112	42	125	51	-75	12	22	1,3	0,9
Ireland	8	190	21	178	156	157	-6	0,1	0,5
Finland	2	191	15	265	250	563	39	0,1	1,2
Denmark	17	206	14	201	186	-19	-2	0,1	1,0
Sweden	56	300	13	355	342	-76	18	0,1	0,9
EFTA**	78	361	:	:	:	:	:	:	:
Iceland	0,04	0,06	:	:	:	:	:	:	:
Norway	6	30	16	64	48	161	117	0,0	0,1
Switzerland	72	331	119	640	522	66	93	0,1	0,7

* % of extra-EU trade of each EU Member State and of total external trade of each EFTA country. **Excluding Liechtenstein.



of their smaller size, some Member States may appear less oriented towards the Mashrek. However, in terms of the share in each Member State's trade accounted for by the Mashrek, the latter was more important to Greece,

Spain and Portugal in 2002 than to the other Member States (apart from Italy and France). Moreover, Greece and Portugal recorded trade deficits with the Mashrek (Table 2).

EU: Energy imports

A large share of Europe's imports comprises energy products and, more particularly, crude oil. Consequently, the EU's imports are highly concentrated on certain goods, with the top 10 products imported from the Mashrek countries representing 70% of the EU's total imports from those countries in 2002 (Table 4). Excluding energy, however, the figure is only 15%. The Mashrek also supplies the EU with manufactured goods, including textile products (from Egypt), metals (aluminium) and fruit and vegetables (Diagram 3 and Table 3).

Diversified exports

Although dominated by machinery and vehicles, European exports to the Mashrek are much more diversified, and include manufactured goods, chemicals and food products. In 2002, the products most in demand among Mashrek countries were industrial machinery and road vehicles (Table 3).

Trade in services: EU in deficit

Between 1992 and 2001, the share of services in total EU/Mashrek trade (goods and services) increased from 15% to 20% in the case of exports and from 28% to 36% for imports. The latter figure is the result of developments in the service sector (including tourism) in the Mashrek. Thus, the EU traditionally has a deficit in travel and transport services, but runs a surplus in other services (Diagram 4). Among these, Europe mainly exports building services, public works and other services to businesses (78%).

Figure 3 - EU Imports and exports from/to the Mashrek countries (EUR mlo)

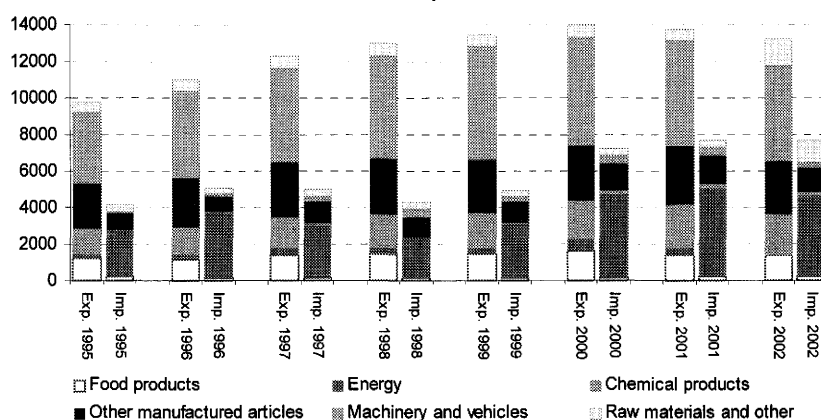


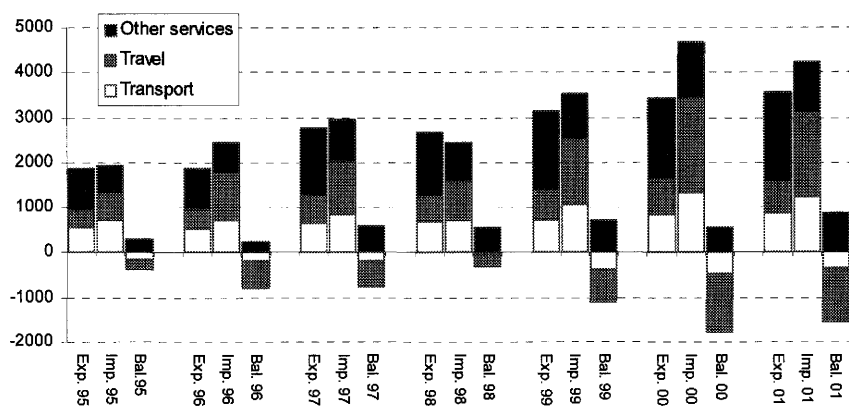
Table 3 - Main products traded between the EU and the Mashrek countries in 2002.

Imports				Exports			
SITC lev. 2	Product	EUR mlo	% of total	SITC lev. 2	Product	EUR mlo	% of total
TOTAL		7785		TOTAL		13394	
33	Oil	4274	54,9	74	General machinery for industry	965	7,2
	of which, Syria 80%	3434	44,1				
84	Clothing	395	5,1	78	Road vehicles	881	6,6
	of which, Egypt 68%	270	3,5				
65	Fils, tissus...	342	4,4	72	Specialised machinery for industry	848	6,3
68	Non-ferrous metals	185	2,4	54	Medicinal products	794	5,9
5	Fruit & vegetables	179	2,3	77	Electrical appliances	635	4,7
333	Crude oil	4265	54,8	542	Medicinal products	559	4,2
684	Aluminium	182	2,3	764	Telecommunications	475	3,5
845	Clothing	160	2,0	781	Vehicles	444	3,3

Table 4 - Concentration of trade by products (SITC level 3) in 2002

	Mashrek	Lebanon	Syria	Palest. Auth.	Jordan	Egypt
Percentage of top 10 products in total imports and exports						
Imports	69,6	59,5	92,2	97,0	69,0	51,4
Exports	25,1	32,7	29,4	61,2	39,7	26,1

Figure 4 - EU trade in services with the Mashrek countries (EUR mlo)



< ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

Country groupings: EU = EU15; MPC-12 = Algeria, Morocco, Tunisia, Egypt, Jordan, Lebanon, Syria, Israel, Palestinian Authority, Cyprus, Malta and Turkey. Mashrek = Egypt, Jordan, Palestinian Authority, Syria and Lebanon.

Maghreb = Algeria, Morocco, Tunisia. Figures on the Palestinian Authority refer to the Gaza Strip and the West Bank.

Trade in goods: Data sources: Customs, Eurostat's COMEXT database. Figures provided by the EU. **System:** special trade. **Classification:**

SITC rev. 3 (Standard Classification for International Trade). **Statistics:** EU: CIF for imports and FOB for exports.

Trade in services: Data sources: NewCronos Eurostat. Figures provided by the EU. Methodology: 5th Balance of Payments Manual.

Further information:

Databases

NewCronos, theme 2, Domain: bop/its and Comext

To obtain information or to order publications, databases and special sets of data, please contact the Data Shop network:

DANMARK	DEUTSCHLAND	ESPAÑA	FRANCE	ITALIA – Roma
DANMARKS STATISTIK Bibliotek og Information Eurostat Data Shop Sejrogade 11 DK-2100 KØBENHAVN Ø Tlf. (45) 39 17 30 30 Fax (45) 39 17 30 03 E-mail: bib@dst.dk URL: http://www.dst.dk/bibliotek	STATISTISCHES BUNDESAMT Eurostat Data Shop Berlin Otto-Braun-Straße 70-72 (Eingang: Karl-Marx-Allee) D-10178 BERLIN Tel. (49) 1888-644 94 27/28 (49) 611 75 94 27 Fax (49) 1888-644 94 30 E-Mail: datashop@destatis.de URL: http://www.eu-datashop.de/	INE Eurostat Data Shop Paseo de la Castellana, 183 Despacho 011B Entrada por Estébanez Calderón E-28046 MADRID Tel. (34) 915 839 167/ 915 839 500 Fax (34) 915 830 357 E-mail: datashop.eurostat@ine.es URL: http://www.ine.es/prodyser/datashop/index.html	INSEE Info Service Eurostat Data Shop 195, rue de Bercy Tour Gamma A F-75582 PARIS CEDEX 12 Tél. (33) 1 53 17 88 44 Fax (33) 1 53 17 88 22 E-mail: datashop@insee.fr	ISTAT Centro di Informazione Statistica Sede di Roma, Eurostat Data Shop Via Cesare Balbo, 11a I-00184 ROMA Tel. (39) 06 46 73 32 28 Fax (39) 06 46 73 31 01/07 E-mail: datashop@istat.it URL: http://www.istat.it/Prodotti-e/Allegati/Eurostatdatashop.html
ITALIA – Milano	NEDERLAND	NORGE	PORTUGAL	SCHWEIZ/SUISSE/SVIZZERA
ISTAT Ufficio Regionale per la Lombardia Eurostat Data Shop Via Fieno 3 I-20123 MILANO Tel. (39) 02 80 61 32 460 Fax (39) 02 80 61 32 304 E-mail: mileuro@tin.it URL: http://www.istat.it/Prodotti-e/Allegati/Eurostatdatashop.html	Centraal Bureau voor de Statistiek Eurostat Data Shop-Voorburg Postbus 4000 2270 JM VOORBURG Nederland Tel. (31-70) 337 49 00 Fax (31-70) 337 59 84 E-mail: datashop@cbs.nl URL: www.cbs.nl/eurodatashop	Statistics Norway Library and Information Centre Eurostat Data Shop Kongens gate 6 Boks 8131 Dep. N-0033 OSLO Tel. (47) 21 09 46 42/43 Fax (47) 21 09 45 04 E-mail: Datashop@ssb.no URL: http://www.ssb.no/bibliotek/datashop/	Eurostat Data Shop Lisboa INE/Serviço de Difusão Av. António José de Almeida, 2 P-1000-043 LISBOA Tel. (351) 21 842 61 00 Fax (351) 21 842 63 64 E-mail: data.shop@ine.pt	Statistisches Amt des Kantons Zürich, Eurostat Data Shop Bleicherweg 5 CH-8090 Zürich Tel. (41) 1 225 12 12 Fax (41) 1 225 12 99 E-mail: datashop@statistik.zh.ch URL: http://www.statistik.zh.ch
SUOMI/FINLAND	SVERIGE	UNITED KINGDOM	UNITED STATES OF AMERICA	
STATISTICS FINLAND Eurostat Data Shop Helsinki Tilastokirjasto PL 2B FIN-00022 Tilastokeskus Työpajakatu 13 B, 2. kerros, Helsinki P. (358-9) 17 34 22 21 F. (358-9) 17 34 22 79 Sähköposti: datashop@stat.fi URL: http://tilastokeskus.fi/ttk/kk/datashop/	STATISTICS SWEDEN Information service Eurostat Data Shop Karlavägen 100 - Box 24 300 S-104 51 STOCKHOLM Tfn (46-8) 50 69 48 01 Fax (46-8) 50 69 48 99 E-post: infoservice@scb.se URL: http://www.scb.se/tjanster/datashop/datashop.asp	Eurostat Data Shop Office for National Statistics Room 1.015 Cardiff Road Newport NP10 8XG South Wales United Kingdom Tel. (44-1633) 81 33 69 Fax (44-1633) 81 33 33 E-mail: eurostat.datashop@ons.gov.uk	HAVER ANALYTICS Eurostat Data Shop 60 East 42nd Street Suite 3310 NEW YORK, NY 10165 USA Tel. (1-212) 986 93 00 Fax (1-212) 986 69 81 E-mail: eurodata@haver.com URL: http://www.haver.com/	

Media Support Eurostat (for professional journalists only):
Bech Building Office A4/017 • L-2920 Luxembourg • Tel. (352) 4301 33408 • Fax (352) 4301 35349 • e-mail: eurostat-mediasupport@cec.eu.int

For information on methodology

Stephane Quéfélec, Eurostat / C1, L-2920 Luxembourg, Tel. (352) 4301 34987, Fax (352) 4301 32769,
E-mail: stephane.quefelec@cec.eu.int

ORIGINAL: English

Please visit our web site at www.europa.eu.int/comm/eurostat/ for further information!

A list of worldwide sales outlets is available at the Office for Official Publications of the European Communities.

2 rue Mercier – L-2985 Luxembourg
Tel. (352) 2929 42118 Fax (352) 2929 42709
URL: <http://publications.eu.int>
E-mail: info-info-opoce@cec.eu.int

BELGIQUE/BELGIË – DANMARK – DEUTSCHLAND – GREECE/ELLADA – ESPAÑA – FRANCE – IRELAND – ITALIA – LUXEMBOURG – NEDERLAND – ÖSTERREICH
PORTUGAL – SUOMI/FINLAND – SVERIGE – UNITED KINGDOM – ISLAND – NORGE – SCHWEIZ/SUISSE/SVIZZERA – BALGARİJA – ČESKÁ REPUBLIKA – CYPRUS
EESTI – HRVATSKA – MAGYARORSZÁG – MALTA – POLSKA – ROMÂNIA – RUSSIA – SLOVAKIA – SLOVENIA – TÜRKİYE – AUSTRALIA – CANADA – EGYPT – INDIA
ISRAËL – JAPAN – MALAYSIA – PHILIPPINES – SOUTH KOREA – THAILAND – UNITED STATES OF AMERICA

Order form

I would like to subscribe to Statistics in focus (from 1.1.2003 to 31.12.2003):
(for the Data Shop and sales office addresses see above)
All 9 themes (approximately 200 issues)

- ☐ Paper: EUR 240
Language required: ☐ DE ☐ EN ☐ FR

Statistics in focus can be downloaded (pdf file) free of charge from the Eurostat web site. You only need to register. For other solutions, contact your Data Shop.

- ☐ Please send me a free copy of 'Eurostat mini-guide' (catalogue containing a selection of Eurostat products and services)
Language required: ☐ DE ☐ EN ☐ FR
- ☐ I would like a free subscription to 'Statistical References', the information letter on Eurostat products and services
Language required: ☐ DE ☐ EN ☐ FR

☐ Mr☐ Mrs☐ Ms

(Please use block capitals)

Surname: _____ Forename: _____

Company: _____ Department: _____

Function: _____

Address: _____

Post code: _____ Town: _____

Country: _____

Tel.: _____ Fax: _____

E-mail: _____

Payment on receipt of invoice, preferably by:

- ☐ Bank transfer
☐ Visa ☐ Eurocard

Card No: _____ Expires on: ____/____/____

Please confirm your intra-Community VAT number:

If no number is entered, VAT will be automatically applied. Subsequent reimbursement will not be possible.